
Program Memorandum Intermediaries/Carriers

Department of Health &
Human Services (DHHS)
Centers for Medicare &
Medicaid Services (CMS)

Transmittal AB-01-109

Date: AUGUST 3, 2001

CHANGE REQUEST 1789

SUBJECT: Correction of Payment for Diabetes Outpatient Self-Management Training Services

The purpose of this Program Memorandum (PM) is to inform contractors of the current payment rate for diabetes outpatient self-management training services and to notify contractors of a change in payment for these services beginning January 1, 2002.

PM B-01-40, Intermediary Manual Part 3, Transmittal 1836, and Hospital Manual, Transmittal 775 (all under change request 1455), released June 15, 2001, mention the two G codes for diabetes education (G0108 and G0109) and the definition change from 60 minutes to 30 minutes. The definition change was made with the January 1, 2001, HCPCS update. However, the payment rate on the Medicare Physician Fee Schedule Date Base (MPFSDB) was not reduced at that time because the final regulation on diabetes education did not become effective until February 27, 2001. We were unable to make the payment reduction in mid-year because of the substantial system changes involved. Therefore, the payment rate will be changed in the January 2002 MPFSDB update. Until that time, providers must be told how to bill for diabetes outpatient self-management training services provided throughout the rest of this year.

Provider Education for Billing Before January 1, 2002

Inform providers that if a 1 hour session of diabetes education has been performed, they must bill code G0108 or G0109 with a 1 in the units column. Even though the definition of the codes reads 30 minutes, the rate the provider will receive is for 60 minutes. For providers that perform a 30 minute service, they should not bill until a full hour is completed and use as the date of service, the day the hour was complete. Providers that bill for a 2 hour session must use a 2 in the units column and not a 4. Providers need to understand that this problem will be corrected in January 2002 and that any services provided on or after January 1, 2002, will be correctly reimbursed.

Provider Education for Billing After January 1, 2002

In January 2002 and after, instruct providers to put the correct number in the units column. For example, if a provider bills for a 30 minute session then a 1 must be in the units column. For an hour session a 2 must be in the units column and for a 2 hour session a 4 must be placed in the units column.

This PM contains no systems changes. Provider education must begin as soon as possible after receipt of this instruction. Explaining this payment problem will lessen provider confusion about billing for diabetes training until the January 1, 2002, MPFSDB update.

The *effective date* for this PM is August 3, 2001.

The *implementation date* for this PM is August 3, 2001.

These instructions should be implemented within your current operating budget.

This PM may be discarded after January 31, 2002.

If you have any questions, contact Patricia Gill (Part B) on (410)-786-1297 or Doris Barham (Part A) on (410) 786-6146.

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